

Medical Programs for Retirees

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EMPLOYER RESPONSIBILITIES

Several important responsibilities you have as an employer are:

- 1) To be sure that active insurance term dates are processed in accordance with the plan, based on the certification provided by the district on Page 6 of the retirement application.**
- 2) To notify the retirement system when you have a retiree who returns to work so their KTRS insurance coverage can be terminated.**
- 3) To file termination of insurance forms in a timely manner.**

The KTRS medical programs are provided as an optional program and a service to KTRS retirees. These programs are not part of the regular retirement program and are subject to change when necessary to contain expenses within the funds available to finance the programs. Currently, retirees under age 65 are offered coverage through the State Group Health Plan (SGHP). A retiree age 65 or Medicare eligible is offered coverage through the KTRS self-insured Medicare Eligible Health Plan (MEHP).

Retired member payments, active member contributions, investment earnings, and state matching monies fund the KTRS medical programs. Active members contribute 0.75% of their compensation to the Medical Insurance Fund. Retired members pay a portion of the cost of their medical insurance. In addition, KTRS makes a supplemental payment toward the cost of the members insurance. The KTRS supplemental payment applied toward the retiree's insurance premium is based on service retirement credit. If the retiree's original hire date was before July 1, 2002, and he/she retired with 20 or more years of service, the retiree will receive the maximum supplemental payment toward coverage. If the original hire date was July 1, 2002, or after, the member must retire with 27 or more years of service to receive the maximum supplemental payment toward coverage.

ELIGIBILITY

Member:

Members of KTRS will be eligible for medical benefits if they retire for disability with five (5) years of KTRS service, or if they retire for service and are at least fifty-five (55) years of age and have at least five (5) years of creditable service or have a minimum of twenty-seven (27) years of creditable service.

Spouse:

Spouses of retired members may be eligible for medical coverage through KTRS, but KTRS does not pay any supplement toward the cost of a spouse's coverage. Coverage in one of the KTRS medical plans is through the retiree. If the spouse is not covered by the KTRS medical plan at the time of the retiree's death, the spouse will have thirty (30) days from the date of death to elect coverage or permanently decline coverage.

Dependent Child:

Children of MEHP enrollees are only eligible for KTRS medical coverage if a non-Medicare spouse enrolls in a Parent Plus Plan with the dependent child.

ENROLLMENT

At Retirement:

If a member indicates a desire for coverage on the retirement application, he/she will be mailed an insurance packet giving the information needed to select an insurance plan. The insurance application should be completed and returned to the KTRS office within fourteen (14) days of the effective date of retirement. Insurance will become effective the first day of the month following the effective retirement date. If a completed insurance application is not returned by the deadline, this non-response will be interpreted as a waiver of coverage.

After Retirement:

If a member does not elect coverage at retirement, he/she may only enroll during the annual open enrollment period or within thirty (30) days of a loss of coverage due to a qualifying event. If a loss of other coverage occurs, the retiree must contact KTRS immediately and complete an application no later than thirty (30) days following the qualifying event in order to enroll. It is the responsibility of the retiree to prove eligibility.

MEDICAL COVERAGE FOR RETIREES

Under Age 65:

Medical coverage for retirees under the age of sixty-five (65) is currently provided through the same state-administered plans offered to active teachers.

Each month KTRS pays a supplement toward the insurance premium based upon years of retirement service. The following list gives the percentage of the SGHP supplement payable by KTRS. If the monthly premium is more than the retiree's supplement, the difference is deducted from the annuity.

Years of KTRS Retiree Service	Percentage
20 and above	100
15 - 19.99	75
10 - 14.99	50
5 - 9.99	25
Less than 5	Not eligible

If the member was hired July 1, 2002, or after, the supplemental percentage schedule is a graduated scale ranging from 10% to 100% based on the number of years of retirement service credit.

Age 65 and Over:

Retirees entitled to Medicare due to attainment of age 65 or Social Security Disability may select secondary medical and prescription drug coverage through the KTRS self-insured Medicare Eligible Health Plan (MEHP).

Medicare, the health insurance program for persons age 65 and older and certain disability retirees below age 65, is composed of two parts: Part A (Hospital Insurance) and Part B (Medical Insurance). Part A is automatically extended to retirees if they are eligible for Social Security benefits. Retirees must apply for Part B and pay the required monthly premium to Social Security. KTRS will not deduct the Part B premium from the annuity check. The premium must be paid to Social Security. It is very important that retirees enroll in Part B of Medicare at the time they become eligible. The KTRS MEHP is incomplete without Part B.

The KTRS MEHP plan provisions assume that each individual who qualifies for Medicare coverage has enrolled in all eligible parts. The MEHP requires that all health expenses covered must first be considered for payment under Medicare. Any benefits payable or which would be payable under Medicare, whether or not the retiree has enrolled in Part B, will be deducted from the medical expenses covered under the MEHP before the benefits of the Plan are determined. If retirees fail to enroll in any part of Medicare for which they are eligible, the MEHP will not reimburse them for expenses that would have been covered by Medicare. It is important that members apply for Medicare coverage as soon as they qualify. Retired members should contact the local Social Security office at least forty-five (45) days before the month in which they turn 65 for details regarding enrollment in Medicare.

MEHP PRESCRIPTION DRUG PROGRAM

The KTRS self-insured MEHP currently offers Medicare eligible retirees a prescription drug program. The program consists of a Retail Drug Program and a Home Delivery Program. The Retail Drug Program is designed for initial and short-term prescriptions and allows up to a 30-day supply of medication to be obtained at a retail pharmacy. The Home Delivery Pharmacy Program is designed for prescriptions that are taken on a long-term basis and allows up to a 90-day supply of medication to be obtained at a Home Delivery Pharmacy.

MEHP PAYMENT SCHEDULE

The following list, the KTRS Supplemental Payment Schedule, gives the percentage of the cost of the Medicare Eligible Health Plan paid by KTRS. If the cost of coverage is more than a retiree's supplement, the difference is deducted from his/her annuity.

Years of KTRS Retiree Service	Percentage
20 and Above	100
15 - 19.99	90
10 - 14.99	80
5 - 9.99	70
Less than 5	Not Eligible

If the retiree was hired July 1, 2002, or after, the supplemental percentage schedule is a graduated scale ranging from 10% to 100% based on the number of years of retirement service credit.

RE-EMPLOYED RETIREES

Retired members (at any age) who are re-employed in positions that make them eligible for medical insurance coverage through the Office of Public Employee Health Insurance SGHP, regardless of whether they are receiving a retirement allowance or not, will be required to waive their KTRS medical insurance coverage.

Subsequent termination of that active employment is considered a qualifying event permitting re-enrollment through KTRS. To avoid a lapse in coverage, retirees expecting to experience this qualifying event should complete an application one month before the termination of their active employment, but no later than 30 days from that qualifying event.